

Message Text

CONFIDENTIAL

PAGE 01 BAGHDA 01404 280636Z

13
ACTION NEA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 EB-07

OMB-01 /065 W
----- 025473

R 280600Z SEP 76
FM USINT BAGHDAD
TO SECSTATE WASHDC 3656

C O N F I D E N T I A L BAGHDAD 1404

E.O. 11652: GDS
TAGS: PINT, IZ
SUBJECT: SADDAM HUSSEIN'S LOW PRODUCTIVITY SEMINAR

REF BAGHDAD 1337

1. SUMMARY: SADDAM HUSSEIN RECENTLY ELEVATED A MINOR ECONOMIC SEMINAR INTO A FORUM FOR GENERAL REVIEW AND CRITICISM OF INEFFICIENCIES IN THE IRAQI ECONOMY AND, BY IMPLICATION, ATTEMPTED TO DISCREDIT POTENTIAL RIVALS. SADDAM'S APPEAL FOR INCREASED EFFICIENCY, RETURN TO BATTHIST IDEOLOGY, AND "DEMOCRATIZING" OF LABOR RELATIONSHIPS APPEARS TO BE ATTEMPT TO BOTH REFORM IRAQI ECONOMY AND TO WARN POTENTIAL RIVALS, SUCH AS FORMER MINISTER OF INDUSTRY TAHA AL-JAZRAWI AND HIS SUPPORTERS, OF THE CONSEQUENCES OF FAILURE TO GIVE FULL SUPPORT TO SADDAM. LABOR UNIONS, PEASANT ORGANIZATIONS, AND SECTIONS OF THE PARTY APPARATUS HAVE MOBILIZED TO SUPPORT SADDAM'S EFFORTS, AND A MILD PURGE OF "INEFFICIENT MANAGERS" HAS TAKEN PLACE. SADDAM'S ACTIONS COULD BE CHARACTERIZED AS PRECAUTIONARY MEASURES, AND WE DO NOT BELIEVE THAT THERE IS PRESENTLY ANY SERIOUS CHALLENGE TO SADDAM'S POSITION AS HEIR APPARENT. END SUMMARY.

2. RECENT ILLNESS OF PRESIDENT BAKR AND CONSEQUENT INCREASE IN TENSIONS AMONG RIVALS FOR SUCCESSION PRESUMABLY ENCOURAGED SADDAM HUSSEIN TO CHOOSE READILY
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BAGHDA 01404 280636Z

AVAILABLE FORUM, ORIGINALLY PLANNED AS REVIEW FROM SEPT.

7 TO 9 OF 1970 IRAQI LABOR LAW, AS OPPORTUNITY TO REVIEW GENERAL INEFFICIENCIES IN IRAQI ECONOMY AND APPEAL FOR CORRECTIVE MEASURES. IN EFFORT TO DRIVE HOME CRITICISM OF LOW PRODUCTIVITY AND CALL FOR REFORM OF LABOR RELATIONS, CONFERENCE WAS EXTENDED AN EXTRA DAY TO ALLOW SADDAM TO COMMENT ON TELEVISED REPORTS FROM MORE STATE ORGANIZATIONS AND COMPANIES. TELEVISED PROCEEDINGS HAVE PROVIDED GOOD ENTERTAINMENT FOR IRAQI PUBLIC BUT SO FAR ACTUAL PURGE HAS BEEN QUITE MILD. IRAQI AIRWAYS AND BAGHDAD AIRPORT, AS WELL AS STATE ORGANIZATION OF TEXTILES (REF), WERE SINGLED OUT FOR CRITICISM.

3. EXECUTIVE BUREAU OF GENERAL FEDERATION OF TRADE UNIONS AND LABOR OFFICE OF BAAATH PARTY HAVE DIRECTED PROVINCIAL LABOR UNIONS, PEASANT SOCIETIES, AND COOPERATIVES TO EXTEND AND REINFORCE SADDAM'S MESSAGE BY ORGANIZING LOCAL SEMINARS AND RALLIES IN THE GOVERNORATES. ALTHOUGH SEVERAL GOVERNORS HAVE PUBLICLY BACKED CAMPAIGN, CALL FOR "FULL CHANGE IN SOCIAL FORCES" AND REMOVAL OF OFFICIALS FOR "DISTURBING PRODUCTION AND DEMOCRATIC RELATIONSHIPS" HAS NOT AROUSED ENTHUSIASTIC RESPONSE ON PART OF IRAQI BUREAUCRATS.

4. PUBLIC AIRING OF LOW-PRODUCTIVITY SEMINAR MAY ALSO BE AN ATTEMPT TO JUSTIFY MORE CAUTIOUS APPROACH TO LARGE FOREIGN PURCHASES AND MAJOR TURNKEY PROJECTS. THROUGHOUT THE CONFERENCE, SADDAM EMPHASIZED THAT THIRTY PERCENT OR MORE OF CURRENT PRODUCTIVE CAPACITY REMAINED UNUSED AND THAT IRAQI PRODUCTIVITY RANKED AMONG LOWEST OF COMPARABLE ARAB STATES. IMPLICATION OF SEMINAR WAS THAT IRAQIS SHOULD PUT THEIR HOUSE IN ORDER BEFORE THEY CAN COPE SUCCESSFULLY WITH RAPID ECONOMIC EXPANSION.

5. ALTHOUGH SADDAM'S PERFORMANCE HAD EFFECT OF LOWERING THE STANDING OF TAHA JAZRAWI AND HIS SUPPORTERS, WE DO NOT BELIEVE THAT IT REFLECTED ANY SERIOUS POWER STRUGGLE WITHIN THE REGIME. IT WAS MORE IN THE NATURE OF A PRECAUTIONARY WARNING TO POTENTIAL RIVALS AS THE TIME FOR TRANSITION OF POWER APPROACHES. FOR THE PRESENT, AT LEAST, SADDAM APPEARS TO HAVE THE UPPER HAND AND IS PRUDENTLY LETTING HIS POTENTIAL RIVALS

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 BAGHDA 01404 280636Z

KNOW THAT IT WOULD BE WISE FOR THEM TO ACCEPT HIS LEADERSHIP.

WILEY

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC CONDITIONS, LABOR RELATIONS, POLITICAL LEADERS, PRESIDENTIAL SUCCESSION, SEMINARS
Control Number: n/a
Copy: SINGLE
Draft Date: 28 SEP 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ellisoob
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976BAGHDA01404
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760365-0261
From: BAGHDAD
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760914/aaaaalpt.tel
Line Count: 110
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 76 BAGHDAD 1337
Review Action: RELEASED, APPROVED
Review Authority: ellisoob
Review Comment: n/a
Review Content Flags:
Review Date: 09 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09 JUN 2004 by ElyME>; APPROVED <07 OCT 2004 by ellisoob>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SADDAM HUSSEIN'S LOW PRODUCTIVITY SEMINAR
TAGS: PINT, ELAB, ECON, IZ, (HUSSEIN, SADDAM)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006